



03/31/2009

NGPC Unilateral Action Matrix

		Unilateral Actions		Requires prior SBA Approval
		Notify SBA?		
Servicing Actions		Yes	No	
Confers a preference on the lender or engages in an activity that creates a conflict of interest				X
Increases the principal amount of a loan above that authorized by SBA at loan origination				X
Transfer, sale or pledge of more than 90% of a loan				X
Reinstate guaranty				X
Deferment of payment			X	
Reamortize/Restructure Loan			X	
Interest rate adjustment in workout (may not exceed rate allowed under particular loan program)			X	
Extension of maturity		X		
Cancellation of the SBA guaranty prior to purchase by SBA		X		
Transfer a loan into liquidation status (Servicing Centers -FCLSC or LRSC must be notified)		X		
Return loan to regular servicing		X		
Update a loan to PIF status		X		

<i>Liquidation Actions</i>			
Liquidation plans and amendments for Certified Lenders Program (CLP) loans			X
Takes title to any property in the name of SBA			X
Takes title to environmentally contaminated property, or takes over operation and control of a business that handles hazardous substances or hazardous wastes			X
Compromise/Release of a borrower or guarantor (except compromise of interest only)			X
Sale of collateral to associates of participant lender			X
Takes any action for which prior written consent is required by a Loan Program Requirement			X
Private sale of collateral to existing owners			X
Assumptions with release of original borrower/guarantor for loans in liquidation			X
Assumptions without release of original borrower/guarantor		X	
Private or negotiated sale of collateral		X	
Release of lien for consideration		X	
Abandon collateral		X	
Initiate foreclosure proceedings*		X	
Obtain Phase I or Phase II environmental audits		X	
Deed in lieu of foreclosure (action should not prevent lender/SBA from pursuing collection from guarantors)		X	
Protective bid at foreclosure sales		X	
Purchase or payment of prior liens		X	
Site visits		X	
Obtain current appraisal (must be no older than year to be classified as current)		X	
Payment of real estate taxes		X	
Hire an auctioneer		X	
Postpone liquidation action		X	

<i>Litigation Actions</i>			
Litigation plan and budget (routine litigation and legal fees under \$10,000)		X	
Litigation plan and budget (if legal fees exceed \$10,000 or non-routine litigation; or if routine litigation becomes non-routine)			X
Amendments to litigation plans where material changes arise that were not addressed in the original plan			X
Any amendments to an approved litigation plan where fees increase by more than 15%			X

*If the foreclosure proceeding is considered non-routine litigation or will exceed a budget of \$10,000, then the lender must submit a litigation plan for SBA approval.



NGPC Unilateral Action Matrix

SBA values the diligence of its 7(a) lenders in maximizing recoveries on defaulted loans, while assisting borrowers whenever feasible. To this end, SBA has substantially shortened the list of actions requiring prior SBA approval and standardized them across the various lending programs where possible in order to assist lenders in taking prompt and responsible recovery actions. However, lenders must document their loan files to explain and justify actions taken. This is essential since SBA is required to ensure that lenders' liquidation actions are prudent, commercially reasonable and consistent with loan program requirements.

Note: SBA's loan servicing centers cannot provide approvals for unilateral actions.

Routine Litigation means uncontested litigation, such as non-adversarial matters in bankruptcy and undisputed foreclosure actions, having estimated legal fees not exceeding \$10,000. If you anticipate your legal budget will exceed \$10,000.00, or there are issues that may arise that are non-routine, please provide the Agency an amended or updated litigation plan and budget via our loanresolution@sba.gov in box. Lenders should consult additional litigation requirements in SBA's regulations at 13 CFR

Non-Routine Litigation includes:

- (1) All litigation where factual or legal issues are in dispute and require resolution through adjudication
- (2) Any litigation where legal fees are estimated to exceed \$10,000
- (3) Any litigation involving a loan where a Lender has an actual or potential conflict of interest with SBA
- (4) Any litigation involving a 7(a) loan where the Lender has made a separate loan to the same borrower which is not a 7(a) loan.

Lender Reporting (Status Reports):

- (1) Lenders must submit a loan status report within 15 business days of purchase by SBA from the Secondary Market. The report should address the status of the borrower, guarantors, collateral, workout or restructuring plans, liquidation activities including sale of collateral, foreclosures and litigation. The report should be accompanied by documentation needed for SBA to conduct a post-purchase review.
- (2) Quarterly after guaranty purchase by SBA (from the secondary market or directly from the lender), lenders must submit a liquidation status report addressing the issues contained in the loan status report for secondary market purchases.

Lenders should direct their actions, requests and questions to the following email addresses:

General liquidation actions and questions: loanresolution@sba.gov
Expense reimbursement submission and questions: sbacpc@sba.gov
Wrap up submission and questions: sbachargeoff@sba.gov
General purchase questions: sbapurchase@sba.gov
Questions regarding inprocess purchases: purchasestatus@sba.gov
Secondary market questions: secondarymarketliq@sba.gov

Please visit the National Guaranty Purchase Center Website for all Liquidation and Purchase related questions at:

<http://www.sba.gov/aboutsba/sbaprograms/elending/ngpc/index.html>